

As Prepared for Delivery

“A Strategic Opportunity for Trade”
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Introduction

In June 1940, almost sixty-four years ago, a grim Frenchman stepped off a small plane at the London aerodrome. He had left behind a country that was overrun, and a Paris that was occupied. That evening, he met with another leader who was tested by the military disaster of Dunkirk and confronting overwhelming odds in an impending battle. The headlines in Britain spoke of invasion. Some suggested suing for peace. But though all around was darkness, these two leaders saw an opportunity: a chance to rally their peoples to the important task at hand.

The very next day, Charles de Gaulle spoke on the BBC to his countrymen, declaring boldly that the last word had not been spoken, and that hope was not lost. His British colleague, Winston Churchill, told shaken Britons that they must never surrender. Their determination helped to transform military disaster into renewed purpose.

The sunny beaches of Cancun are a long way from the wind-swept shores of Dunkirk, and trade negotiations are a very long way from the questions of war and peace that De

Gaulle and Churchill faced. But as we left Cancun last September, after failing to agree on how to advance the Doha negotiations, the dejected defeatist rhetoric was akin to the mood of a far different and darker time.

Many said the WTO trade talks would stagnate for years, that elections in America and the changeover in the European Commission would stymie any re-engagement until 2005 at the earliest. Some suggested that the success at Doha had been an anomaly, while the failures of Seattle and Cancun were the norm.

As in the weeks after Dunkirk, the worst predictions did not come true. Cancun was a missed opportunity, not a catastrophe. We lost an important chance to move the Doha agenda forward, but a number of self-proclaimed victors soon realized they had the most to lose, and it did not take long for the first signs of renewed interest to emerge. Only a few weeks after Cancun, the United States and more than twenty diverse economies in the Asia-Pacific – including many developing countries -- called for a resumption of WTO negotiations using the draft Cancun text as a point of departure.

Meanwhile, America moved forward – as we promised we would – with countries prepared to engage in real give-and-take. Within six months of Cancun, we had concluded new free trade agreements with eight countries, moved closer with another six,

and announced plans to launch negotiations with six more. Our strategy maintained forward momentum for free trade, helping us to resist the forces of isolationism during economically difficult times.

As 2003 closed, it seemed the atmosphere was right for a renewed push. With a sense that countries were now interested in coming together for serious work, in early January I wrote a letter to all my WTO colleagues putting forward ideas to move the Doha negotiations ahead in 2004. We needed to focus on the basics but remain ambitious. My letter suggested that we remove from the table issues that had become distractions, causing large disagreements but offering small economic gains. And it urged that we focus on breakthroughs in the most important areas of the negotiations, where success would build momentum for the rest of the round.

We have come a long way since last September, but we still do not know whether Cancun will someday be seen as the Dunkirk of the Doha Round: a low point from which a new determination was forged, leading to a positive reversal in the course of events. We can say that it has not been a lost year for the Doha agenda, but we have yet to seize the opportunity that lies before us.

Preparations for a Push on the Doha Agenda

To follow up the January letter, in February I traveled some 32,000 miles -- around and up and down the world -- to meet with representatives of over 40 countries to hear their ideas and encourage their commitment.

In my meeting in Singapore, I was heartened to hear forward-thinking ideas from Minister Rini of Indonesia, and welcomed the steady wisdom of Minister Yeo of Singapore. In Africa I was encouraged by the leadership of Minister Erwin of South Africa, Minister Kituyi of Kenya and their colleagues who see the importance of making the Doha Round's development objectives a reality.

Last month in London, Ministers from Brazil, the European Union, Kenya, and South Africa joined me to focus on the key topics in detail. In the coming days, during the OECD meetings, more ministers will have the opportunity to move from rhetoric to decisions and actions.

We are regaining some momentum, but the road ahead could be rough. Our ability to make notable progress by this summer depends principally, in my view, on two steps: First, we need to resolve the problem of the "Singapore Issues" by agreeing to focus solely on trade facilitation, the overhaul of 50-year-old customs rules that no longer match the needs of today's economy, much less tomorrow's; second, and most

importantly, we need to concentrate on the draft agriculture text to see if we can agree on specific frameworks for reform. If we can break the logjam on these two critical issues, much more could quickly flow: an agreement on frameworks for cutting industrial tariffs and removing non-tariff barriers to the trade in goods, renewed energy to open services markets, and agreement on how the poorer and smaller developing countries can best participate in the global trading system.

An agreement to move ahead on trade facilitation alone should be close at hand. On agriculture, the hurdles are somewhat higher: All countries will need finally to agree to totally eliminate export subsidies, the worst and most controversial distortion of agricultural trade, by certain dates. If the European Union can move on this critical point, as it seems close to doing, the United States will eliminate the subsidy element of export credits and discipline food aid to avoid commercial displacement, while still permitting countries to meet vital humanitarian needs. To complete this positive package, others will need to end State Trading Enterprise export monopolies and the use of differential export taxes.

We also will need substantial cuts in domestic trade-distorting subsidies so as to greatly narrow inequalities and lower the overall permitted amount – on the path to total elimination of trade-distorting subsidies. And all countries – especially larger developing countries – will need to work with us to find the balance between ambitious opening of agricultural markets and solving problems with countries' special sensitivities.

A Moment of Strategic Economic Opportunity

These breakthroughs are within our grasp, but we need a strong and unified effort if we are to achieve them in the next few months. That sense of urgency will seize us only if we recognize that the flickers of light we have seen in recent weeks come at an important moment of strategic economic opportunity. The first touch of economic fair winds is just now reaching our backs. Not strongly enough. Not in enough places. But the global economy is starting to sail ahead.

With the world economy moving again, we have an opportunity to deepen and widen the nascent economic expansion through trade. Over the past 60 years, we have witnessed well-timed trade liberalizations that, combined with domestic reforms, create longer, deeper, and more productive periods of economic expansion.

In the early 1990s, the U.S. economy was poised to seize the huge opportunity presented by the stimulus of more open global markets: We had spent the previous decade making structural renovations in our economy – deregulating industry after industry, flattening and lowering taxes to reward risk takers, and working through the challenges of banking problems, inflation, and increased foreign competition. With the completion of the Uruguay Round and NAFTA in the early nineties, the United States economy was well positioned to benefit, the economic expansion was extended and deepened, and the world economy gained from the long U.S. boom.

A decade later, we have a similar opportunity to jump-start an economic expansion with a global agreement to open markets. Many economies have been laying the foundation that will allow them to fully realize the benefits of an economic upsurge enhanced by open trade. With the EU's historic enlargement, this great center of activity and accomplishment also has a new opportunity to look ahead.

Coming from Ireland as I have this week, I was reminded again that leaders have a choice about how quickly their countries can grow. When a government makes the right decisions about how to free the productive and creative energies of its people, lands that have been marked by years of slow or even no growth can transform their futures. Nations whose young people have for generations sought their fortunes elsewhere can instead become beacons of opportunity for young eyes on other shores.

The stirrings of change are shaking old assumptions. You can see it here in French and German debates about labor laws that stifle jobs, pension systems that will not be able to pay annuities, and tax laws that hobble the economies that are to produce the revenues. You can see it in African nations trying to build the rule of law, and in Latin America where new anti-corruption efforts are trying to root out old problems. The huge impact of even partial moves towards economic liberty and open trade are on vivid display in China.

By moving now on the Doha Round we can link and build upon these efforts. Domestic economic reforms and global trade liberalization are like separate tributaries to a great river of economic prosperity: when joined together they flow with even greater power and strength.

Addressing Global Change

Even as we recognize the strategic economic opportunity presented to us in 2004, we also see signs of how much the world has changed in the years since the Uruguay Round went into effect.

- As reform has swept the planet, the number of men and women participating in the global marketplace has exploded: from one billion to more than six billion, driven largely by the deeper integration of China and India into the global economic system.
- Technological change has made the world more wired and interdependent, smashing old barriers to the mobility of ideas, information, capital, and production across national borders.
- The nature of commerce itself has changed, with global purchasing and just-in-time manufacturing and retailing networks. These have

transformed production and marketing of everything from automobiles to software from a local effort into a planet-wide process involving multiple countries.

- The intersection of the global economy with domestic regulatory issues poses new challenges across a broad range of life, from the health care question of access to medicines to how best to ensure consumer safety as counterfeit goods undermine confidence in established brands.
- And finally, the world confronts a unique new security threat that makes the unfettered movement of goods and people across borders suddenly more complex than it seemed just a few years ago.

Each of these new realities makes the Doha and WTO agenda a different and more complex challenge than its predecessors.

The Expanding Global Economy

Consider, for example, how much larger the marketplace has become. In the years after the Cold War, when the Uruguay Round trade openings went into effect, even those who continued to call themselves socialists largely abandoned the idea of a command economy, dominated by state control and ownership. The result is that the global

marketplace has expanded from a billion citizens to more than six billion participants in a brief historical moment.

That change, combined with trade liberalization, enabled the trade in goods alone to grow more than 50 percent in the years since 1994 to \$6.4 trillion in 2002. To put that growth in perspective, every baby born during those years could be associated with \$2,700 of new trade.

The implications of the significant growth in the global economy's size are profound. We cannot trim our sails. With an additional five billion participants in the world trading system, most of them poor, a stingy and incremental trade opening focused only on a small subset of countries is simply not enough. To achieve the kind of growth that routs poverty and transforms societies, we need to be ambitious and bold in our thinking.

This means that as the Doha Round moves forward, we have to focus on the areas with the greatest opportunities to expand trade, boost economies, and leverage domestic economic reforms. Trade-distorting agricultural subsidies are certainly a vital place to start. But that is not enough. In addition to creating more opportunities for North-South trade, we need to focus as well on freeing South-South trade, which is a fast-growing source of wealth for developing countries but also one of the most protected segments of trade in both industrial goods and agriculture. And we need to make sure that there are

significant openings for trade in services, which accounts for the majority of economic activity in developing countries.

Rapid Technological Change

This bigger and more populous world marketplace is also adjusting to rapid technological change. When negotiations on the Uruguay Round began in 1986, windows were only made of glass, a mouse was still just a rodent, and the hottest IBM desktop came with a 20 megabyte hard drive. Today, there is more computer power in your car than there was on the Apollo spacecraft. Today, more people in South Africa alone will log onto the Internet than did on the entire planet in 1994.

Biotechnology is improving productivity, health, and the environment by allowing more nutritious crops to be grown using less land, water, and chemicals.

Mobile communications spread farther between 1994 and 2004 than Alexander Graham Bell's invention did in a century, altering lives in the same fundamental ways.

Pharmaceutical innovation is melding with the exploration of DNA to create drugs based on molecules engineered to target specific genes, opening new possibilities to save lives.

The study of nanotechnology, the control of matter down to one billionth of a meter, has only begun opening new possibilities -- from flexible elevators that can move cargo into space to the development of tiny autonomous cancer-munching robots.

Doha can be a powerful driver for spreading the benefits of these technologies and others to come, but only if pioneers feel safe sharing their ideas and entrepreneurs know that governments will stay neutral in competition between established concerns and upstart newcomers.

Global Production Networks

Increased competition is driving firms to improve efficiency and lower costs like never before. A critical part of that effort has been the dispersion of the various steps of the production, assembly, marketing, and servicing across national borders. As the costs of final products decline, the savings power more economic growth and even more rapid trade expansion.

Since 1960, global output has more than quadrupled. Global trade has increased even faster – up 9-fold. In short, four decades experience suggests that to increase production and incomes, it is necessary to increase trade even faster.

The consequences of global production networks have their challenging aspects as well. For countries like the United States, global sourcing has raised job concerns and created adjustment pressures. For countries at much earlier stages of economic development, the complexity and fluidity of global production patterns creates challenges in identifying and entering into global supply chains. Our mission is to open the door of opportunity to many more people while assisting our publics to manage change.

Regulatory and Social Issues

Another new factor is the intersection of trade with regulatory issues that have been traditionally the responsibility of sovereign governments. New stakeholders in all our nations expect to be heard. They include sub-national governments, anti-poverty groups, medical professionals, environmental groups, and regulators of everything from financial services to telecommunications. Even as trade has grown and spread prosperity, its expansion into areas beyond the traditional trade in goods has created new challenges, and a need to carefully consider the consequences of our decisions. One choice we do not have is to turn back the clock.

We face myriad new concerns. Just to name one: How do we ensure that the poorest have access to the cutting-edge medicines that will save their lives, without undermining the innovation that makes such medicines possible?

We must seek solutions that will improve lives both today and tomorrow. That is just what we did on the contentious issue of access to medicines prior to Cancun. The result struck a careful balance, assuring greater access to medicines without gutting the international system that rewards the creation of innovative new medicines.

One way to better face such future challenges is to increase the level of transparency in the operation of the WTO and our trading arrangements. One way to do that would be to introduce new sunshine into the dispute settlement process. Indeed, I was pleased that despite disagreement on biotechnology policies, the United States and the European Union could agree to open our WTO case to the public.

Global Security

A final important change since the Uruguay Round is the new threat to global security. In the early 1990s, the world was basking in relative peace after the Cold War. We now know that new danger was stirring.

The ways in which the world's shifting security situation affects trade are fundamental. Consider that every year 266 million standard shipping containers enter and leave the world's ports, 400 million people cross U.S. borders, enough information is exchanged through phones, faxes and the Internet to fill the U.S. Library of Congress 100,000 times, and \$650 billion in new investment crosses international borders.

Each of these currents of international commerce offer opportunities for terrorism. With the new dimension of global exchange, improving security in cities such as Paris and Washington depends on improving security in Bogotá, Istanbul, and Jakarta.

With such increased interdependence, the world requires a more integrated, harmonized and efficient set of rules to govern the movement of goods, finance, and people across borders. As our port security agencies struggle to get better information on what is moving in and out of their docks, we are finding that old customs procedures are simply not adequate. We now know that having available timely information is not only helpful in reducing costs and transit times, but vital to our mutual safety and security.

Trade is also part of the long-term solution. I do not believe terrorism is caused by poverty. The demographics of terrorists do not support that view. And it is an insult to hundreds of millions of poor people who do not turn to senseless killing. But terrorists draw energy from the hatred that grows in the chaos of failed nations and in the stagnant economies of autocracies. It has never been more important to bring isolated, poor and underdeveloped societies into a modern global economy offering opportunity and hope. Trade can be both an economic engine that strengthens fragile nations and the source of new ideas and exposure to the outside world that undermines tyranny.

How Global Changes Affect the Doha Agenda

What are the implications of all these changes for the Doha negotiations?

To deal with five billion new and mostly poor people in the trading system, we must be bold and ambitious in our agenda to open markets and expand trade, especially in agriculture, industrial goods, services, and the potential South-South trade. To keep pace with rapid technological change, we must safeguard innovation while enabling more people to benefit. To successfully address new challenges that are part of global trading networks, we must tear down tariff walls and non-tariff barriers, especially in industrial goods, and overhaul old customs procedures that choke trade at borders. To help us face new security threats, we should modernize the international information system for moving goods and finance across borders. And to respond to the concerns of new stakeholders in the global trading system, we must push to make that system more transparent and open to the citizens it serves.

To succeed in this changed environment, we have to focus on the big things – and set aside many of the side issues that threaten to divert our attention. And we must seek balanced solutions that involve give and take from everyone. We know that if we move forward together, all our nations will be better off.

In agriculture, WTO Members need to agree to eliminate agricultural export subsidies by a date certain, substantially decrease and harmonize levels of trade-distorting domestic subsidies, and substantially increase real market access opportunities both in developed and major developing economies. The market for cotton, a subject of special interest to some African countries, can be opened with significant steps in each of these three areas, backed by support for development. And the United States continues to stand by its 2002 proposal to set a goal of total elimination of trade-distorting agricultural subsidies and barriers to market access.

According to the World Bank, removing these agricultural trade barriers would raise 140 million people out of poverty over a decade. Increasing farm incomes around the world increases demand for the high-value products of industrialized countries, provides greater opportunities for education, and demonstrates the value of open markets in the world's rural areas.

For manufactured goods, we are proposing that WTO Members pursue an ambitious tariff-cutting formula that applies to each and every product of the tariff schedule, although we recognize the need for limited flexibility so that governments can manage a small number of political sensitivities. In addition to the tariff-cutting formula, sectoral zero-tariff initiatives need to be an integral part of the negotiations, perhaps using a "critical mass" approach to define participation -- as in the successful Information

Technology Agreement. We must also develop innovative ways to address non-tariff barriers.

We have already had a half-century of success lowering industrial tariffs – mostly in the developed world. Nevertheless, important opportunities to open trade remain. While the developed world is already largely open to trade in manufactured goods -- tariff levels average 5.3 percent -- there are some important barriers that remain to be addressed. And in the developing world, barriers remain very high. Tearing down those barriers must be a central element of the Doha agenda.

Trade barriers in the developing world are hugely counterproductive. For instance, developing countries have the highest tariffs on capital goods – taxes that discourage their own development and hinder the foreign investment they so badly need. When Brazil abandons its 30 percent tariff on telecommunications equipment and Nigeria drops its 20 percent tariff on electrical equipment, the countries that will benefit most are Brazil and Nigeria.

In both agriculture and manufactured goods, for the Doha Development Round to live up to its name, we need to remove the barriers to trade among developing countries so as to tap the opportunities. The World Bank estimates that elimination of trade barriers would result in a \$539 billion income gain for moderate- and low-income countries – and three-fourths of that would be gained from lower trade barriers among moderate- and low-

income countries themselves.

In the important area of services, the United States is pushing for meaningful offers from a majority of WTO members. We have made a good start – 42 WTO Members, accounting for roughly 90 percent of global trade in services, have submitted initial offers. But we need to expand this list, particularly with respect to developing countries, so they can participate in the negotiations. As part of that effort, we are willing to make available technical assistance to help developing countries present offers. We have also urged the World Bank to help developing countries assess the potential benefits and assist in preparing proposals that will involve multiple ministries.

Without a significant opening for services, half the economy of the developing world will be shut out of the benefits of Doha. That would be a costly oversight when you consider that the service sector of low-income countries grew nearly twice as fast as their overall economies during the 1990s. Indeed, the World Bank found that open service markets are such a force-multiplier for economic growth that developing countries with open telecommunication and financial services markets grew 1.5 percentage points faster than countries where those two markets remained closed.

Developing Nations Must be Partners

Trade offers opportunities, not guarantees. Investors around the world face a multiplicity of choices. Creating an attractive climate for investment, trade, and innovation is an essential task for developing economies.

To seize the greatest gains from the Doha Agenda, developing economies will need to get the fundamentals firmly in place: the rule of law, independent court systems, anti-corruption, and sound macro-economic policies. Governments also need to expand basic education and improve public health services.

A number of countries have made great strides in these areas, and they have demonstrated that developing countries can be major beneficiaries of global trade liberalization.

Still, too many developing countries are struggling.

In Africa, we need to make sure the poorest have access to the growth and opportunities that open markets deliver, especially the opportunity to create and expand a middle class. The U.S. African Growth and Opportunity Act has created incentives for economic reform by providing tariff-free access to the U.S. market for some 5000 additional products from 37 eligible sub-Saharan African countries -- so that some 96 percent of

these countries' exports now enter America without duties. To build on this success, the United States launched free trade agreement negotiations with the five countries of the Southern African Customs Union – Botswana, Lesotho, Namibia, South Africa, and Swaziland.

Despite its proud commercial past, the Middle East remains apart from the world's global trading system. Thirty percent of the people in the region live on less than \$2 a day. The region's share of international trade and foreign direct investment are among the lowest in the world. The region's participation in global trade shrank from 12 percent in 1981 to less than 5 percent in 2001.

The United States is pursuing a trade opening initiative in the Middle East that customizes our work with individual countries while pointing toward the goal of a comprehensive free trade area with the United States. In addition to helping countries become WTO Members, we will expand the network of FTAs that we have already negotiated with Jordan, Israel, Morocco, and soon Bahrain. We are also providing assistance to build trade capacity and expand opportunities so that the countries of the Middle East can benefit from their integration into the global trading system.

To take on the challenges of global trade, especially in the Doha negotiations, we will need the support of major developing economies. In the last decade, the economies of India and China have grown exponentially. Their contribution to a successful Doha

Round is a matter of self-interest, because they are likely to be the main beneficiaries of a more open trading system in the decades to come.

Frankly, after 50 years of tariff negotiations, the tariffs on goods in the United States and the European Union pose few barriers to trade, except in a few sensitive areas, which we are willing to open further as part of this negotiation. The United States has an average bound tariff rate for all products of 4 percent. Countries such as India, Egypt, and Brazil started to assume only modest obligations after the Uruguay Round and still have average bound tariff levels of 50 percent, 37 percent, and 31 percent, respectively. Developed countries are seeking reductions of these high tariffs and new trading opportunities, which will benefit many developing countries, too.

At Cancun, the G-20 developing countries presented an agenda for action by others, but did not suggest the markets they would be willing to open. Many of the leading G-20 countries have not yet made a beginning offer to open their services markets. Even in agriculture, as we are moving close to a package that would eliminate export subsidies and make deep cuts in other trade-distorting subsidies, the G-20 has rejected a number of frameworks for opening agricultural markets in both developed and major developing countries without yet suggesting a proposal. The success of the Doha Round depends on all the major trading economies putting forward ideas to achieve mutual benefits and then working together to find constructive solutions.

Of course, our agenda to lower trade barriers will need to incorporate special and differential treatment for developing countries, to assist their adjustment. Yet as we design flexibilities for countries or even types of countries or regions with special problems, we will be stymied if every provision automatically applies to some 100 or more countries – including some that are highly competitive in a sector. Does it make sense to offer Korea the same special treatment as Lesotho?

Commissioner Lamy has recently suggested that we reassure the poorest and least developed countries that the final results of the Doha negotiations should not impose onerous obligations on them. We are ready to work with this concept, as long as we keep all countries on the path to more open markets, operating under the same WTO rules. To continue to integrate the poorest and least developed gradually within the global trading system, one core commitment might be simply to complete the binding of their tariffs – this is a discipline the WTO employs to establish that countries will not raise tariffs above specific levels. It would also benefit poorer countries to take part in the trade facilitation negotiations, which will help all to expedite and lower the costs of moving goods across borders. For the poor developing countries that want to seize new opportunities to combine trade opening with domestic reforms, we would be pleased to work with them to expand their ambition – for example, through the liberalization of services or sectoral negotiations in goods or agriculture or in the application of trading rules in ways that reinforce or promote their own domestic reform programs. Their successful development will also depend on an expanding South-South trade within the

larger global trading system. As we reassure the poorest and least developed on the limited scope of their obligations in the Doha agenda, we also need to assure them that our long term goal is that they become full and effective participants in and beneficiaries of the world trading system.

Industrialized Nations Must Act on Their Own Challenges

The larger countries of the developing world will only accept growing responsibilities if the developed countries commit themselves seriously.

The present openness of the United States is reflected, in part, through our \$542 billion current account deficit; with a surplus of imports over exports of that magnitude, our market cannot be too hard to access. Yet our recent economic challenges have fueled a threat from the forces of economic isolationism.

Mercantilism and protectionism are dead ideas, but like the zombies of a bad horror movie, they keep coming back to life, animated from time to time by politics in all of our countries. We must be relentless in putting these dead ideas to rest. And we must be wary of economic isolationists who pretend they favor trade – but only with so many added conditions and exceptions as to make that trade virtually impossible.

President Bush has been clear that the United States will continue to stand for openness, dynamism, and growth. He knows America needs to open new markets to create new jobs for workers at home. He also knows that more open trade is critical to offer developing countries the opportunity to move beyond the dependency of the past. The Doha negotiations remain the central goal of our trade strategy. The President's strong commitment to the free trade agenda, even in the midst of an election year, should bolster the commitments of those who wonder whether America is serious in its offers to eliminate agricultural export subsidies, slash trade-distorting farm subsidies, cut drastically the tariffs on goods and agriculture, and expand services trade. We mean what we say.

But we need more help from other important developed nations, too.

We understand that the European Union faces unique challenges. Uniting with ten new members with more than 70 million citizens is enough to lead many to turn their attention inward. There is an absorbing internal debate on a new EU constitution, too. The looming conflict between European social policies and demographic reality is also becoming an increasingly pressing matter. Despite these demands, the world will depend on Europe remaining an engaged leader in international trade, as Commissioners Lamy and Fischler have sought to do. I am confident Europe will live up to its responsibilities.

Japan should play a role in Doha more commensurate with the size of its economy and its place in the global trading system. We all have our sensitive products. We all have our domestic political pressures. The question is whether we allow those sensitivities and pressures to paralyze us. That is a question Japan has yet to answer.

Not a Lost Year. But Will We Seize The Opportunity?

For many years, Europeans of a certain age spoke of the “Spirit of Dunkirk” to refer to resilience in the face of failure. What had been a military disaster was later called a “miracle” by Winston Churchill. A low point later came to be seen as a turning point.

We do not know how people will look back on 2004 in the long effort to open markets, build economies, spur development, reduce poverty, and improve lives.

We do know that we are presented with a strategic economic opportunity. It is a chance to stimulate -- and deepen -- a global economic recovery that is just now beginning to gather strength. It is an opportunity to combine global market opening with domestic reforms already under way, unleashing the forces of economic dynamism, growth, and development.

We also know that this opportunity comes with challenges that we did not face the last time we opened markets on a global scale, a decade ago.

Because of these challenges – and these opportunities – the market opening of the Doha Round must be bolder, faster, and deeper than any Round has been before. To achieve that result, we must rededicate ourselves to achieving real progress in 2004. Doing so requires that we focus on core elements and be as ambitious as possible.

Nearly half the year is gone. We have not wasted it, but neither have we yet capitalized on the strategic opportunity. The coming days and weeks will be crucial.

Thank you.